

**TOY DISTRICT/DOWNTOWN INDUSTRIAL DISTRICT
BUSINESS IMPROVEMENT DISTRICT
BOARD OF DIRECTORS MEETING
OCTOBER 28, 2008
MINUTES**

BOARD MEMBERS

Present: Ernie Doizaki, Howard Klein, Matt Klein, Larry Rauch, Bill Shinbane and Paul Vert.

Absent: Richard Gardner, Donald Kanner, Richard Mereulo, Thomas Payne, Mark Shinbane, Michael Tansey and Charlie Woo.

STAFF: Herlinda Chico, Raquel King, Estela Lopez and Vicky McCormick.

CONSULTANTS: Qathryn Brehm, Ken Coelho, Steve Gibson (Urban Place Consulting), Don Steier and Jessica Whaley.

I. CALL TO ORDER

Vert called the meeting to order with a quorum at 12:01pm.

II. PUBLIC COMMENT PERIOD ON NON-AGENDA ITEMS

None.

III. APPROVAL OF MINUTES

Rauch made a motion to approve the September 23, 2008 minutes, and H. Klein seconded. The Board unanimously approved.

IV. LAPD CENTRAL AREA NARCOTICS TEAM

Lopez introduced Detectives Burt Pheldz and James Miller to the Board, and thanked them for their service throughout the district.

Detective Pheldz reported that his team consists of a 14-person squad who takes complaints of narcotic activity from citizens

and businesses, and from there set up surveillance. Det. Pheldz informed the Board that Central's buy/bust team made 1,000 arrests in 2008. Det. Pheldz encouraged the Board to contact him with any suspicious behaviors, and if a vehicle is involved, license plate number would be very helpful.

V. FINANCE

Coelho reported that in September, DID collected approx. \$88,000 of assessment revenue, and just under \$4,000 in penalties and interest on delinquent assessments. DID is over budget for the month by \$19,000, due to catching up on maintenance contractor invoices.

Coelho informed the Board that as of September 30, 2008, delinquent assessments total approx. \$93,000. As a result, Coelho increased the delinquency factor to \$58,000 from \$27,000.

Coelho reported that at year- end DID is projecting to have \$115,000 of cash.

Coelho reported that in September, the Toy District budget was slightly under for the month. The BID paid eight weeks of the maintenance contract, however the amount was what the BID budgeted for four weeks. The invoices were for services through 9/13/08.

Coelho informed the Board that the Toy District would end the year at break even from a cash standpoint. He also mentioned that the BID allocated \$10,500 for assessment delinquencies; we're currently at \$8,800 and therefore an adjustment was made to the budget.

Vert asked if the credit line that the BID used at the beginning of the year, remain open. Coelho informed the Board that the credit line can be accessed if needed.

2009 Budget:

Coelho reported that there would be a slight increase in expenses overall in 2009. There will be differences in allocations in the various categories. Coelho stated that the budget was set based on the Board approved 4% annual assessment increase in Toy, and the 3% annual assessment increase in DID. Coelho also informed the Board that excess cash can be carried over year-to-year, throughout the five-year term of the BID.

Lopez stated that Coelho factored in an increased delinquency amount for 2009, due to the state of the economy.

The Board agreed that review/approval of the 2009 budget will take place at the November Board meeting.

VI. RENEWAL

Gibson distributed copies of the engineer's report, and asked the Board to review the final management plan provided in their board packets. Gibson reported that the management plan had been submitted to the City Clerk, and will most likely take a month for the City Clerk to review and approve. The petition process can begin in December after the City Clerk's process.

Lopez informed the Board that the formula would not be changed, and properties will remain being assessed on Lot sq. ft. only. The term of the BID would remain at five years, versus the ten-year term that had been contemplated.

Vert stated that after analyzing how adding building sq. ft to the formula would affect the property owner's assessments, he realized that there would be a significant impact on a handful of properties.

Gibson informed the Board that the renewal budget had increased by \$75,000 for pressure washing. He also reported that he, Lopez and the CCEA staff met with the non-profit service providers in the area to explain the assessment methodology and the non-profit discount. Non-profits receive an 85% discount on

their assessments; each year the non-profit assessment will increase 1% reaching 19% by the end of the BID term.

Lopez added that there were ten attendees representing the non-profit service providers in the district.

Gibson stated that after the petitions are mailed, staff and Board members will need to outreach directly to property owners to ensure they sign the petitions. Gibson stated that the known supporters of the BID currently equate to 37%; 51% is needed to renew the BID. Gibson stated that he will have a list of the remaining 14% large property owners at the next meeting.

VII. OPERATIONS

McCormick reported that in the Toy District for September, the number of trash bags collected and graffiti removed decreased. Blocking the sidewalk increased, as well as drug activity, loitering and illegal vending. The number of shopping carts collected in September slightly increased.

McCormick reported that in DID, drug activity and loitering decreased.

San Pedro Neighborhood Watch:

Lopez informed the Board that CCEA staff and the LAPD organized a requested meeting of the residents along San Pedro Street; Teramachi, Catalina Building and Little Tokyo Lofts. Lopez informed the Board that Doizaki was present for that meeting, and asked him to give a brief report.

Doizaki reported that the Little Tokyo and Catalina Building residents expressed interest in having on-going meetings and neighborhood walks. Doizaki stated that he was surprised that the Termachi management did not attend the meeting. Doizaki stated that the goal is to create a safe corridor along San Pedro Street. Doizaki stated that he would like to schedule another meeting soon.

Lopez informed the Board that there were forty attendees. Senior Lead Officers Jack Richter and Steve Nichols addressed the community.

VIII. NEW BUSINESS- None

Police Commission:

Lopez informed the Board that the Safer Cities Initiative (SCI) would be giving their second-year report to the police commission, and would like CCEA to be there for comment. Lopez stated that she would like to have four employees in the district and Para Los Ninos speak about the positive affects of SCI.

Doizaki suggested having the Termachi residents present at the meeting.

Annual Planning Report:

Lopez informed the Board that the City Clerk's office now requires the Board of Directors to direct staff to prepare and submit the annual planning report. In November of every year, the BID submits this report to the City Clerk outlining its projection for the following year.

Rauch made a motion for staff to prepare and submit the annual planning report to the City Clerk's office, and Doizaki seconded. The Board unanimously approved.

November Board Meeting:

Lopez informed the Board that the November meeting is scheduled to take place the Tuesday before Thanksgiving, and suggested that it be moved to Wednesday, November 19, 2008 at 9am, immediately following the breakfast meeting with District Attorney Steve Cooley, and City Attorney candidate Carmen Trutanich. The purpose of the meeting would be to review/approve the 2009 budget only. The Board agreed.

Toy District:

Brehm informed the Board that she received a call from Dan Daneshroud, a property owner in the Toy District (Winston & Wall) stating that he was concerned with the District's declining sales. Daneshroud asked if there were any monies for holiday marketing in the Toy District. Brehm stated that she is working on getting prices from Spanish radio and television for advertisement of the district. Brehm reported that she will be working on obtaining a list of property owners who would be interested in contributing to the advertisement efforts, because radio spots are very expensive. Brehm stated that the City allows 10% of the budget to be reallocated from one category to another. 10% of Toy's budget would be \$50,000, and the radio spots would run in December. Lopez added that if the 10% were reallocated, her recommendation would be to eliminate the two BID public safety officers that currently patrol the Toy District in order to balance the budget.

IX. ADJOURNMENT- The meeting of the Board was adjourned at 1:30pm.